



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

June 4, 2014

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in dark ink, appearing to be "W. T. Fujioka", written over a horizontal line.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## SACRAMENTO UPDATE - PROPOSED 2014 WATER BOND LEGISLATION

### Executive Summary

- This memorandum provides an update on the latest efforts by the Legislature to develop proposals to place a water bond measure on the November 4, 2014 State General Election ballot.

### Background

In November 2009, the Legislature passed and then-Governor Schwarzenegger signed SBX7 2 (Chapter 3, Statutes of 2009) which created the Safe, Clean and Reliable Drinking Water Supply Act of 2010 and approved an \$11.14 billion general obligation bond measure (Water Bond) to be placed on the November 2010 ballot to finance a safe drinking water and water supply reliability program. The Legislature subsequently amended and postponed the Water Bond measure, twice delaying its placement before the voters to November 2012 (AB 1265, Chapter 126, Statutes of 2010) and to November 2014 (AB 1422, Chapter 74, Statutes of 2012) due to the State's poor economic condition, the number of competing ballot measures, and public opinion polls which showed that voter support for the size and scope of the Water Bond measure was lagging.

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In the last two years, lawmakers have introduced 13 water bond proposals, all vying to replace the \$11.14 billion measure currently on the November 4, 2014 ballot. Both the Senate and the Assembly have held various informational hearings throughout the State to gather input from stakeholders about the water bond proposals. In addition, the Assembly convened a water bond working group that developed principals to set spending priorities for its water bond proposals.

The Legislature must pass, and the Governor must sign, a new water bond by June 26, 2014 for placement on the November 4, 2014 State General Election ballot.

The major provisions of the water bond bills that are still under consideration are summarized below. A chart providing an overview comparison of these bills with the original Water Bond proposal is contained in Attachment I.

#### **AB 1331 (Rendon) - Clean and Safe Drinking Water Act of 2014**

**AB 1331 (Rendon)**, which as amended on May 8, 2014, would repeal the provisions of the original Water Bond measure and would, instead, enact the Clean and Safe Drinking Water Act of 2014, which if adopted by the voters, would authorize the issuance of \$8.0 billion in State general obligation bonds to finance a clean, safe and reliable drinking water program. AB 1331 is an urgency measure and would be effective immediately if signed by the Governor.

AB 1331 would provide a total of \$8.0 billion in funding (reducing the current water bond by \$3.14 billion). Specifically, the bill would provide funding for:

- 1) Clean and Safe Drinking Water - \$1.0 billion;
- 2) Protecting Rivers, Lakes, Streams, Coastal Waters and Watersheds - \$1.5 billion;
- 3) Climate Change and Drought Preparedness for Regional Water Reliability - \$2.0 billion;
- 4) Sacramento-San Joaquin Delta Sustainability - \$1.0 billion; and
- 5) Water Storage for Climate Change - \$2.5 billion.

AB 1331 is scheduled to be heard in the Senate Governance and Finance Committee on June 11, 2014.

**AB 2686 (Perea) - Clean, Safe, and Reliable Drinking Water Supply Act of 2014**

**AB 2686 (Perea)**, which as amended on May 1, 2014, would repeal the provisions of the current Water Bond measure and would, instead, enact the Clean, Safe, and Reliable Drinking Water Supply Act of 2014, which if adopted by the voters, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Fund Law to finance a clean, safe, and reliable drinking water supply program. AB 2686 is an urgency measure and would be effective immediately if signed by the Governor.

In its current version, AB 2686 would provide at least \$10.25 billion in funding, as well as an additional unspecified amount. Specifically, the bill would provide funding for:

- 1) Clean, Safe, and Reliable Drinking Water - \$1.0 billion;
- 2) Protecting Rivers, Lakes, Streams Coastal Waters, and Watersheds - \$1.5 billion;
- 3) Climate Change Preparedness for Regional Water Security and Drought Preparedness - \$1.5 billion;
- 4) Sacramento-San Joaquin Delta Sustainability - \$2.25 billion;
- 5) Statewide Water System Operational Improvement and Drought Preparedness - \$3.0 billion;
- 6) Water Recycling - Unspecified amount; and
- 7) Groundwater Sustainability - \$1.0 billion.

AB 2686 is pending consideration in the Assembly Appropriations Committee. A hearing date has not been set.

**SB 848 (Wolk) - Safe Drinking Water, Water Quality, and Water Supply Act of 2014**

**SB 848 (Wolk)**, which as amended on February 20, 2014, would repeal the provisions of the current Water Bond measure and would, instead, enact the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, which if adopted by the voters, would authorize the issuance of \$6.825 billion in State general obligation bonds to finance a safe drinking water, water quality, and water supply program. SB 848 is an urgency measure and would be effective immediately if signed by the Governor.

SB 848 would provide a total of \$6.825 billion in funding (reducing the current Water Bond by \$4.315 billion). Specifically, the bill would provide funding for:

- 1) Safe Drinking Water and Water Quality Projects - \$900.0 million;
- 2) Water Supply Enhancement Projects - \$2.0 billion;
- 3) Delta - \$1.2 billion;
- 4) Water Shed and Ecosystem Improvement - \$1.7 billion; and
- 5) Water Storage Projects - \$1.025 billion.

SB 848 is pending consideration in the Senate Appropriations Committee. A hearing date has not been set.

**SB 1250 (Hueso) - Safe, Clean, and Reliable Drinking Water Supply Act of 2014**

**SB1250 (Hueso)**, which as amended on May 7, 2014, would repeal the provisions of the current Water Bond measure and would, instead, enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which if adopted by the voters, would authorize the issuance of bonds in the amount of \$10.15 billion pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply program. SB 1250 is an urgency measure and would be effective immediately if signed by the Governor.

SB 1250 would provide a total of \$10.15 billion in funding (reducing the current Water Bond by \$990.0 million). Specifically, the bill would provide funding for:

- 1) Clean, Safe, and Reliable Drinking Water - \$900.0 million;
- 2) Water Supply Reliability and Drought Preparedness - \$1.0 billion;
- 3) Delta Sustainability - \$2.25 billion;
- 4) Statewide Water System Operation Improvement for Drought Preparedness - \$3.0 billion;
- 5) Protecting Rivers, Lakes, Streams, Coastal Waters, and Watersheds - \$1.3 billion;

- 6) Groundwater Sustainability - \$500.0 million;
- 7) Water Recycling Program - \$500.0 million;
- 8) Water Conservation - \$250.0 million; and
- 9) Local and Regional Storage Projects - \$100.0 million.

SB 1250 is pending consideration in the Senate Natural Resources and Water Committee. A hearing date has not been set.

All four bills specify that funds shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities and that those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, or maintenance of those facilities.

**This office and the Department of Public Works will continue to monitor ongoing hearings on Water Bond legislation and will report on any amendments to these bills which may impact the County.**

We will continue to keep you advised.

WTF:RA  
MR:VE:AO:ma

Attachment

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants

## Detailed Comparison of Water Bond Proposals (in billions)

Bill No. & [Amend Date]	AB 1331 (Rendon) [5/8/2014]	AB 2686 (Perea) [5/1/2014]	SB 848 (Wolk) [2/20/2014]	SB 1250 (Hueso) [5/7/2014]
<b>Water Quality</b>  Notes:  DAC = Disadvantaged Community  GF= Grant Fund  GW = Groundwater  RF= Revolving Fund  RZ = Reserve Fund	<b>\$1</b> [\$≥10% DAC; tech assistance can exceed 10%] <ul style="list-style-type: none"> <li>• <b>\$≥0.4</b> State Water Pollution Control RF Small Community GF <ul style="list-style-type: none"> <li>◦ ≤\$0.01 tech assist.</li> </ul> </li> <li>• <b>\$0.1</b> Emergency Clean Water GF <ul style="list-style-type: none"> <li>◦ ≤\$0.01 Domestic wells</li> </ul> </li> <li>• <b>\$≥0.4</b> Public infrastructure <ul style="list-style-type: none"> <li>◦ ≤\$0.025 tech assist.</li> <li>◦ \$0.0025 Drinking Water Capitol RZ</li> </ul> </li> <li>• <b>\$0.1</b> GW remediation</li> </ul>	<b>\$1</b> [\$≥10% DAC; tech assistance can exceed 10%] <ul style="list-style-type: none"> <li>• <b>\$≥0.2</b> State Water Pollution Control RF Small Community GF</li> <li>• <b>\$0.1</b> Emergency Clean Water GF <ul style="list-style-type: none"> <li>◦ ≤\$0.01 Domestic wells</li> </ul> </li> <li>• <b>\$≥0.4</b> Public infrastructure <ul style="list-style-type: none"> <li>◦ ≤\$0.025 tech assist.</li> <li>◦ \$0.0025 Drinking Water Capitol RZ</li> </ul> </li> <li>• <b>\$0.05</b> UC system</li> </ul>	<b>\$0.9</b> <ul style="list-style-type: none"> <li>• <b>\$≥0.4</b> State Water Pollution Control RF Small Community GF <ul style="list-style-type: none"> <li>◦ ≤\$0.01 tech assist.</li> <li>◦ \$0.02 domestic wells</li> </ul> </li> <li>• <b>\$0.1</b> urgent actions</li> <li>• <b>\$≥0.4</b> Public infrastructure <ul style="list-style-type: none"> <li>◦ ≤\$0.025 tech assist.</li> <li>◦ \$0.01 water treat.</li> <li>◦ \$0.0025 Drinking Water Capitol RZ</li> </ul> </li> </ul>	<b>\$0.9</b> [\$≥10% DAC; tech assistance can exceed 10%] <ul style="list-style-type: none"> <li>• <b>\$≥0.4</b> State Water Pollution Control RF Small Community GF <ul style="list-style-type: none"> <li>◦ ≤\$0.01 tech assist.</li> </ul> </li> <li>• <b>\$0.1</b> Emergency Clean Water GF <ul style="list-style-type: none"> <li>◦ ≤\$0.01 Domestic wells</li> </ul> </li> <li>• <b>\$≥0.4</b> Public infrastructure <ul style="list-style-type: none"> <li>◦ ≤\$0.025 tech assist.</li> </ul> </li> </ul>
<b>Watershed Protection</b>  Notes:  See below for conservancy, etc. abbreviations  DW = drinking water	<b>\$1.5</b> [25% DAC] <ul style="list-style-type: none"> <li>• <b>\$0.75</b> <ul style="list-style-type: none"> <li>◦ \$0.0086 Baldwin</li> <li>◦ \$0.0257 Tahoe</li> <li>◦ \$0.0171 Coachella</li> <li>◦ \$0.0086 San Diego</li> <li>◦ \$0.0343 RMC</li> <li>◦ \$0.0171 San Joaquin</li> <li>◦ \$0.0557 Santa Mon.</li> <li>◦ \$0.0557 Sierra Nev.</li> <li>◦ \$0.3 Coastal <ul style="list-style-type: none"> <li>▪ \$0.0428 salmon</li> <li>▪ \$0.0643 flood</li> </ul> </li> <li>◦ \$0.1843 WCB</li> <li>◦ \$0.0429 OPC</li> </ul> </li> <li>• <b>\$0.5</b> State settlements <ul style="list-style-type: none"> <li>◦ Klamath, Salton Sea, SJ River, CVPIA Refuge Water, Tahoe</li> </ul> </li> <li>• <b>\$0.25</b> urban rivers <ul style="list-style-type: none"> <li>◦ ≤\$0.025 tech assist.</li> </ul> </li> </ul>	<b>\$1.5</b> [25% DAC] <ul style="list-style-type: none"> <li>• <b>\$0.75</b> <ul style="list-style-type: none"> <li>◦ \$0.0010 Baldwin</li> <li>◦ \$0.02 Tahoe</li> <li>◦ \$0.02 Coachella</li> <li>◦ \$0.01 San Diego</li> <li>◦ \$0.04 RMC</li> <li>◦ \$0.02 San Joaquin</li> <li>◦ \$0.065 Santa Mon.</li> <li>◦ \$0.05 Sierra Nev.</li> <li>◦ \$0.3 Coastal <ul style="list-style-type: none"> <li>▪ \$0.175 WCB</li> </ul> </li> <li>◦ \$0.04 OPC</li> </ul> </li> <li>• <b>\$0.5</b> State settlements <ul style="list-style-type: none"> <li>◦ Any multiparty settlement</li> </ul> </li> <li>• <b>\$0.1</b> urban rivers</li> <li>• <b>\$0.15</b> urban creeks</li> </ul>	<b>\$1.7</b> [25% DAC] <ul style="list-style-type: none"> <li>• <b>\$0.875</b> <ul style="list-style-type: none"> <li>◦ \$0.0010 Baldwin</li> <li>◦ \$0.03 Tahoe</li> <li>◦ \$0.02 Coachella</li> <li>◦ \$0.01 San Diego</li> <li>◦ \$0.04 RMC</li> <li>◦ \$0.02 San Joaquin</li> <li>◦ \$0.065 Santa Mon.</li> <li>◦ \$0.065 Sierra Nev.</li> <li>◦ \$0.35 Coastal <ul style="list-style-type: none"> <li>▪ \$0.05 salmon</li> <li>▪ \$0.075 flood</li> </ul> </li> <li>◦ \$0.215 WCB</li> <li>◦ \$0.05 OPC</li> </ul> </li> <li>• <b>\$0.5</b> State settlements <ul style="list-style-type: none"> <li>◦ \$0.25 Klamath</li> <li>◦ \$0.1 Salton Sea</li> <li>◦ \$0.1 SJ River</li> <li>◦ \$0.05 Tahoe</li> </ul> </li> <li>• <b>\$0.25</b> urban rivers</li> <li>• <b>\$0.02</b> State Park DW &amp; wastewater</li> <li>• <b>\$0.03</b> RCDs</li> <li>• <b>\$0.025</b> ag runoff</li> </ul>	<b>\$1.3</b> <ul style="list-style-type: none"> <li>• <b>\$0.55</b> <ul style="list-style-type: none"> <li>◦ \$0.0063 Baldwin</li> <li>◦ \$0.0188 Tahoe</li> <li>◦ \$0.0126 Coachella</li> <li>◦ \$0.0063 San Diego</li> <li>◦ \$0.0251 RMC</li> <li>◦ \$0.0126 San Joaquin</li> <li>◦ \$0.0409 Santa Mon.</li> <li>◦ \$0.0409 Sierra Nev.</li> <li>◦ \$0.22 Coastal <ul style="list-style-type: none"> <li>▪ \$0.0314 salmon</li> <li>▪ \$0.0472 flood</li> </ul> </li> <li>◦ \$0.1351 WCB</li> <li>◦ \$0.0314 OPC</li> </ul> </li> <li>• <b>\$0.5</b> State settlements <ul style="list-style-type: none"> <li>◦ Klamath, Salton Sea, SJ River, CVPIA Refuge Water, Tahoe</li> </ul> </li> <li>• <b>\$0.25</b> Stormwater capture</li> </ul>
<b>Regional Water Reliability</b>  Notes:  MCO = Mountain Counties Overlay Region	<b>\$2</b> [10% DACs] <ul style="list-style-type: none"> <li>• <b>\$1</b> IRWM Regions <ul style="list-style-type: none"> <li>◦ \$0.045 North Coast</li> <li>◦ \$0.132 SF Bay</li> <li>◦ \$0.058 Central Coast</li> <li>◦ \$0.198 LA</li> <li>◦ \$0.119 Santa Ana</li> <li>◦ \$0.096 San Diego</li> <li>◦ \$0.076 Sac River</li> <li>◦ \$0.064 San Joaquin</li> <li>◦ \$0.070 Tulare/Kern</li> <li>◦ \$0.051 N/S Lahontan</li> <li>◦ \$0.047 Colorado Riv.</li> <li>◦ \$0.044 MCO</li> </ul> </li> <li>• <b>\$0.25</b> conservation <ul style="list-style-type: none"> <li>◦ \$0.1 Ag WUE</li> </ul> </li> <li>• <b>\$0.5</b> water recycling</li> <li>• <b>\$0.25</b> stormwater</li> </ul>	<b>\$1.5</b> [10% DACs] <ul style="list-style-type: none"> <li>• <b>\$1</b> IRWM Regions <ul style="list-style-type: none"> <li>◦ \$0.045 North Coast</li> <li>◦ \$0.132 SF Bay</li> <li>◦ \$0.058 Central Coast</li> <li>◦ \$0.198 LA</li> <li>◦ \$0.128 Santa Ana</li> <li>◦ \$0.087 San Diego</li> <li>◦ \$0.076 Sac River</li> <li>◦ \$0.064 San Joaquin</li> <li>◦ \$0.070 Tulare/Kern</li> <li>◦ \$0.051 N/S Lahontan</li> <li>◦ \$0.047 Colorado Riv.</li> <li>◦ \$0.044 MCO</li> </ul> </li> <li>• <b>\$0.25</b> ag &amp; urban conservation</li> <li>• <b>\$0.35</b> regional &amp; interregional connectivity</li> <li>• <b>\$0.25</b> stormwater</li> </ul>	<b>\$2</b> <ul style="list-style-type: none"> <li>• <b>\$1.4</b> IRWM Regions <ul style="list-style-type: none"> <li>◦ \$0.065 North Coast</li> <li>◦ \$0.195 SF Bay</li> <li>◦ \$0.085 Central Coast</li> <li>◦ \$0.284 LA</li> <li>◦ \$0.174 Santa Ana</li> <li>◦ \$0.138 San Diego</li> <li>◦ \$0.118 Sac River</li> <li>◦ \$0.098 San Joaquin</li> <li>◦ \$0.102 Tulare/Kern</li> <li>◦ \$0.074 N/S Lahontan</li> <li>◦ \$0.067 Colorado Riv.</li> </ul> </li> <li>• <b>\$0.1</b> tools for innovation</li> <li>• <b>\$0.5</b> stormwater</li> </ul>	<b>\$1.35</b> [10% DACs] <ul style="list-style-type: none"> <li>• <b>\$1</b> IRWM Regions <ul style="list-style-type: none"> <li>◦ \$0.045 North Coast</li> <li>◦ \$0.132 SF Bay</li> <li>◦ \$0.058 Central Coast</li> <li>◦ \$0.198 LA</li> <li>◦ \$0.128 Santa Ana</li> <li>◦ \$0.087 San Diego</li> <li>◦ \$0.076 Sac River</li> <li>◦ \$0.064 San Joaquin</li> <li>◦ \$0.070 Tulare/Kern</li> <li>◦ \$0.051 N/S Lahontan</li> <li>◦ \$0.047 Colorado Riv.</li> <li>◦ \$0.044 MCO</li> </ul> </li> <li>• <b>\$0.35</b> regional &amp; interregional connectivity</li> </ul>

Detailed Comparison of Water Bond Proposals (in billions)

Delta Sustainability	\$1 <ul style="list-style-type: none"> <li>• \$0.4 Delta levees</li> <li>• \$0.6 ecosystem restoration &amp; sustainability</li> </ul>	\$2.25 Ecosystem restoration, levees, sustainability (no division)	\$1.2 <ul style="list-style-type: none"> <li>• \$0.4 Delta levees</li> <li>• \$0.8 ecosystem &amp; Sustainability <ul style="list-style-type: none"> <li>◦ \$≥0.05 water qual. &amp; ecosystem restoration</li> </ul> </li> </ul>	\$2.25 <ul style="list-style-type: none"> <li>• \$0.75 grants to Delta communities <ul style="list-style-type: none"> <li>◦ \$0.25 local Delta ag</li> </ul> </li> <li>• \$1.5 ecosystem restoration</li> </ul>
Water Storage	\$2.5 Upon appropriation, to the CWC <ul style="list-style-type: none"> <li>◦ Surface &amp; GW</li> <li>◦ \$0.0025 feasibility of additional surface storage</li> </ul>	\$3 Continuously appropriated to the CWC <ul style="list-style-type: none"> <li>◦ Surface &amp; GW</li> </ul>	\$1.025 Upon appropriation, to the CWC <ul style="list-style-type: none"> <li>◦ \$1 Surface &amp; GW</li> <li>◦ \$0.0025 feasibility of additional surface storage</li> </ul>	\$3 Continuously appropriated to the CWC <ul style="list-style-type: none"> <li>◦ Surface &amp; GW</li> <li>◦ \$0.0025 feasibility of additional surface storage</li> </ul>
Water Recycling (as a separate section)	\$0* \$0.5 See regional water supply reliability	\$ unknown (placeholder)	\$0	\$0.5
Groundwater Sustainability (as a separate section)	\$0* See Water Quality & Storage	\$1 Cleanup or contamination prevention for GW that is drinking water	\$0* See Water Quality & Storage	\$0.5
Water Conservation (as a separate section)	\$0* \$0.0025 See regional water supply reliability	\$0* \$0.0025 See regional water supply reliability		\$0.25
Local & Regional Storage Projects (as a separate section)	\$0* See Storage	\$1 <ul style="list-style-type: none"> <li>◦ \$ unknown (placeholder) treatment and remediation</li> </ul>	\$0* See Storage	\$0.1
Total	\$8	\$≥10.25	\$6.825	\$10.15

Key:

\$≥ means greater than or equal to (i.e. "at least x dollars")

\$≤ means less than or equal to (i.e. "up to x dollars")

Baldwin = Baldwin Hills Conservancy

Coachella = Coachella Valley Mountains Conservancy

Coastal = State Coastal Conservancy

OPC = California Ocean Protection Council

RMC = San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy

San Diego = San Diego River Conservancy

San Joaquin = San Joaquin River Conservancy

Santa Mon. = Santa Monica Mountains Conservancy

Sierra Nevada = Sierra Nevada Conservancy

Tahoe = California Tahoe Conservancy

WCB = Wildlife Conservation Board